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The City of Oakland

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:
PG&E CORPORATION
- and -
PACIFIC GAS AND ELECTRIC COMPANY,
Debtors.

Bankruptcy Case No. 19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

**LIMITED OBJECTION AND
RESERVATION OF RIGHTS OF THE
CITY OF OAKLAND IN RESPONSE TO
MOTION OF DEBTORS PURSUANT
TO 11 U.S.C. §§ 105(a), 362, AND 363
AND FED. R. BANKR. P. 2002, 4001,
AND 6004 FOR AN ORDER (I)
AUTHORIZING DEBTORS TO (a)
SELL, TRANSFER, LEASE OR
OTHERWISE ENCUMBER REAL
PROPERTY, (b) ENTER INTO
ACQUISITION, LEASE, LICENSE,
AND PERMIT AGREEMENTS
RELATING TO THIRD-PARTY
PROPERTY, AND (c) PURSUE AND
BRING EMINENT DOMAIN
PROCEEDINGS TO JUDGMENT OR
ENTER INTO SETTLEMENTS IN LIEU
THEREOF, SUBJECT TO CERTAIN
PROCEDURES AND PARAMETERS,**

AND (II) GRANTING RELATED RELIEF

Date: April 10, 2019
Time: 1:30 p.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

The City of Oakland, an Interested Party and “governmental unit” as defined in 11 U.S.C. section 101(27) (the “City”), respectfully submits this Limited Objection and Reservation of Rights in response to the *Motion of Debtors pursuant to 11 U.S.C. §§ 105(a), 362, and 363 and Fed. R. Bankr. P. 2002, 4001 and 6004 for an Order (I) Authorizing Debtors to (a) Sell, Transfer, Lease or Otherwise Encumber Real Property, (b) Enter into Acquisition, Lease, License, and Permit Agreements Relating to Third-Party Property, and (c) Pursue and Bring Eminent Domain Proceedings to Judgment or Enter into Settlements in Lieu Thereof, Subject to Certain Procedures and Parameters, and (II) Granting Related Relief* (“Motion,” ECF No. 1004), and in support thereof, represents as follows:

The City has a broad relationship with Pacific Gas and Electric Company (“PG&E”) and its predecessors in interest extending back to the 19th century. While the City is diligently investigating the extent of its current relationship with PG&E, the City respectfully points out that the Debtors’ definition of “Real Property Interests” in the Motion is *extremely* broad. Due to sheer breadth of the Motion’s definition of “Real Property Interests,” Debtors’ request to sell, license, lease or otherwise “deal with” (*see, e.g.*, Mot., 1:8) Real Property Interests necessarily extends to contracts that may be executory in nature. Consequently, the City objects to the Motion solely to the extent that the Motion seeks to make any determination as to the application of section 365 to any Real Property Interests that purport to impact the City.

The City also raises a limited objection to Debtors’ proposed procedures for review and approval of Real Property Interest transactions between PG&E and third parties. While the City takes no issue with the Debtor’s proposal of streamlined procedures for dealing with Real Property Interests (to the contrary, the City supports PG&E’s efforts to limit disruption of

1 services to PG&E's customers), the City does object on the basis that the proposed procedures are
2 ambiguous. Specifically, while Debtors refer to the amount of the "consideration" for any Real
3 Property Interest transaction as a criterion for the treatment of that transaction, currently pending
4 or otherwise, they provide no timeframe or guideline for calculating the amount of that
5 consideration. Is the consideration at issue limited to the amount received in one year under any
6 Real Property Interest transaction? Alternatively, is the consideration in question to be calculated
7 over the life of the transaction? The City requests that any Order granting the Motion clarify the
8 definition of "consideration" as used in Debtors' proposed procedures. The City further requests
9 that any Order on the Motion confirm that all transactions involving Debtors' Real Property
10 Interests be subject to the same Order, provided, that, Bankruptcy Code section 365 remain
11 applicable to any decisions involving the assumption or rejection of pre-existing agreements
12 related to Real Property Interests.

13 For the reasons stated above, the City requests that the Court grant Debtors' Motion
14 subject to entry of an Order addressing the points raised by the City herein.

15 Dated: April 3, 2019

Respectfully submitted,

16 HOPKINS & CARLEY
17 A Law Corporation

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19 By: /s/ Monique D. Jewett-Brewster

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